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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

M ILITARY	Attaché	REPORT Paraguay Country Reported On
Subject Comment on . Current . Events.	No. 43	I.G. No
Source and Degree of Reliability:		
Paraguayan	Press.	

Summarization of Report

Ref. Comments and Suggestions April 5, 1940.

In Comments on Current Events Enter Item Headings Here

First results of Japan's taking a party of Paraguayans on a trip around the world a few months ago is seen in the announcement in the local Asuncion press(La Tribuna) that an agreement has been reached whereby Paraguay is to ship 550,000 kilos of raw cotton to Japan in Japanese bottoms which will load it in Buenos Aires. The sales contract was signed by the Manuel Ferreira Company and a Japanese company with offices in Buenos Aires. Ferreira was a member of the Paraguayan mission which made the trip to Japan a few months ago.

Señor Ferreira told the Tribuna that the cotton would be shipped through the port of Buenos Aires in February or March and price would be the same as for cotton quoted in Buenos Aires.

How Japan hopes to increase trade with Paraguay is shown in the announcement that 12 1/2% of the cost of the cotton is to be paid for in Japanese merchandise.

In the absence of the Military Attaché.

H.E.Walker,

Clerk in Charge.

7247

All copies airmailed Jan. 17th.

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From M. A. Paraguay This line to appear on all succeeding pages	Report No. 6480.	Date January 17, 1941.
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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina.

Countr Reported On

Subject Comment on Current Events No.44.

I.G. No.

Source and Degree of Reliability:

Personal Contacts; reliable.

Summarization of Report

1. Estimate of the Political Situation in Argentina this Date.

In Comments on Current Reputs Enter Item Headings Her

1. Estimate of the Political Situation in Argentina this Date.

The political situation in Argentina is most confusing to even the best informed, and boils down to a contest between the "ins" and "outs" with the "outs" representing a maximum of 80% of the voters.

The national Cabinet is conservative as is the Senate, while the Congress is radical. For clarity, the conservatives may be classed as the moneyed(estancia) group, while the Radicals may be termed the labor and white collar group.

The President, Mr. Srtiz, who is temporarily in retirement, while elected by a coalition is definitely veering to the radical group. The Acting President is a marked conservative and is surrounded by a Cabinet which by past action is unmistakably conservative and some of whose members are suspected of definite Nazi leanings.

In brief, the Congress will take no action on any government recommendation unless radical or at least neutral interventers are placed in the provinces of Santa Fé and Mendoza where the Radicals were recently defeated by very pungent election frauds. This led to the preent resignation of Mr. Finedo, the Minister of Finance (Hacienda) who asked the Congress to first pass his budget and then later talk about the election frauds. The Radical group who with the assistance of the Socialista and branch Radicals control a total of 86 out of the 153 votes in the Lower House insisted on the reverse procedure, and only yesterday the Radical block walked out of the Chamber thus preventing the functioning of Congress. An open breach has thus developed between the Acting Executive and the Congress which may possibly lead to the adjournment of that body, an endeavor by the Reccutive to force the Radical bloc to attend sessions, or assumption of dictatorial powers by the President and a government by decree.

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From M. A. Argantina
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From M. A. Argantina Report No. 6485. Date January 24, 1941.

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Comment on Current Events No. 44.

A further element is injected into the situation: the sparring for political control of the provinces and gobernaciones in order to influence the presidential election of 1944. There are fourteen provinces. and ten gobernaciones. The gobernaciones are administered maxade nintered by a governor appointed by the President and who rules without the assistance of a legislature. Three provinces are now governed by interventors appointed by the Executive so if Santa Fé and Mendoza are added the total will reach five. The provinces of Buenos Aires, Santa Fé and Córdoba, due to voting strength, control the national elections, so with an interventor already in Buenos Aires and the probable appointment of others in Santa Fé and Lendoza, plus the two additional provinces and ten gobernaciones an overwhelming Radical victory is indicated.

As is known by the War Department, the personal element is always present in Latin politics, and this personal element is President Ortiz, a member of a middle class family; an individual who has risen to the position of Chief Executive by: shrewd politics, the wooing of elements of the "adical and Conservative parties, the faculty of not creating enemies, the patience to wait(perfect timing) and unquestioned ability. In the background is ex-President Justo; a strong, determined and ambitious politician who by his recent political actions is believed to be one who will abide by the forms of constitutional procedure.

The army wields more influence than the politicians like to admit, but at present they are standing on the outskirts just looking on.

The navy in the past has not entered the political arena.

COMMENTS.

See Comments on Current Events No. 34, Report No. 6325, September 6, 1940.

It is my estimate that:

(1) Interventors satisfactory to the "adical party will be appointed in Santa F6 and Mendoza;

(2) President Ortiz will return to office within the next month, possibly within a week;

(3) A new Cabinet will be appointed in which few, if any, members of the present Cabinet will be included;

(4) The budget of 1940 will be continued as a running budget subject to a deficit provision and with defense allotments in a seperate category;

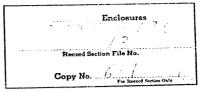
(5) The Radical party in Congress will continue its opposition to the Acting President and may try to introduce a Radical program to replace that of the Government;

(6) The Army and Navy will remain neutral in the present crisis.

A. Devine, Jr., Colonel, G.S.C., Military Attaché.

All copies airmailed Jan. 24th.

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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina. Country Reported On

Subject Comments on Current Events No. 45. I.G. No.

Source and Degree of Reliability:

Personal Contacts; press.

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Summarization of Report

1. Estimate of the Political Situation in Argentina this Date.

1. Estimate of the Political Situation in Argentina this Date.

January 1941 will go down in history as an especially hectic month in the political life of Argentina. The political difficulties have been such that they have been the main topic of newspaper comment during that period.

The present state of political chaos dates back to July 3, 1940, when President Roberto M. Ortiz was forced through ill health to relinquish the reins of government and Vice President Ramon S. Castillo took over as Acting President.

√The Ortiz Cabinet resigned in August and was replaced by officials named by Acting President Castillo. Of this Cabinet the best known were the new foreign minister, Julio A. Roca a former vice-president of the Republic, and finance minister Federico Pinedo, who held the same portfolio some years ago. Both these outstanding men in the Cabinet resigned hate in January, and up to this date, February 5th, no replacements have been appointed.

For several weeks the Congress has been unable to do eny effective work due to the abstention of the Radical bloc, which has as titular head former President Alvear, because this bloc refused to attend sessions until the Government did something about the scandalous election frauds in the provinces of Santa Fé and Mendoza held in December and the first week in January.

A climax to the situation came on January 31st when Dr. Amadeo, Federal interventor on the province of Buenos Aires and former Argentine embassador to Brazil, presented his resignation, together with those of his two principal assistants in the provincial government, on the grounds that he could not hope to supervise honest elections in Buenos Aires (scheduled for May) as long as the present ederal administration looked

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From M. A. Argentina Report No. 6503...... Date Fabruary. 5, ...1941.......

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Comments on Current Events No. 45.

without displeasure on the frauds in the provincial elections of Santa Fé and Lendoza. Dr. Amadeo stressed that while he is a personal friend of Acting President Castillo he could not follow him in his present political path.

The resignation of Dr. Amadeo and the failure of Congress to act on the 1941 budget, which latter caused the Acting President to issue a decree for the payment of January salaries to Federal employees, has added more uncertainty to the situation. The Padical deputies and the Socialist senator, Dr. Polacica, refused to collect their January salaries on the grounds that such could not be paid legally until the budget had been approved by Congress.

On February 1st, Acting President Castillo threatened to govern Argentina by decree laws if Congress continued in its refusal to work. He returned the resignations of Dr. Amadeo and his provincial minister of finance on the grounds that they were disrespectful. General Lapez, commander of the La Plata garrison, took over as temporary interventor after the Amadeo resignation; on February 3rd Rear Admiral Vildea, who was minister of marine under President Justo, accepted appointment as interventor for the province of Buenos Aires.

President Ortiz in a letter to Dr. Amadeo(whom he had appointed interventor) on February 1st congratulated him on his attitude in resigning. This act of President Ortiz is taken as a sign of a definite rupture between Ortiz and Castillo.

In a press interview, Castillo made reference to the possibility of an early return to office of Dr. Ortiz, and stated that in so far as he was concerned the elections in Catamarca and San Juan(both provinces under interventors at present) should be held under President Ortiz. On February 3rd, however, Dr. Ortiz in an interview with reporters declared that he would not return to office unexpectedly, and that the people would be advised before he made any such move. "If there is any opposition(to my return) the people would know how to act", he stated.

The present political picture is something like the following: since the last Congressional elections the Radical party has had the largest representation in the Chamber of "eputies, just short of a majority, while in the Senate the Conservatives easily control. President Ortiz is an Anti-Personalist Radical, Vice President Castillo is a Conservative; they were elected in 1937 on a fusion ticket called the "Concordancia".

Provincial elections were held in Santa Fé on December 15th and in Mendoza on January 5th. The "Concordancia" group was declared winner in both cases, although the Radicals insisted that the elections were fraudulently conducted. On several occasions President Ortiz has promised clean elections and when there has been groven fraud he has annulled such elections and sent Federal interventors into those provinces.

On January 9th, Finance Minister Pinedo approached Former President Marcelo T. de Alvear, head of the "adicals, on his own initiative, to urge that the two major parties try to find some common ground which would permit the enactment into law of the 1941 budget and of the project known as the "Pinedo Plan", approved by the Senate in December by a 17 to 3 vote. The Pinedo Plan, calling for increased member bank reserves with the Central Bank, would provide for the purchase of grain surpluses, and the financing of the construction of cheap houses for workmen, as well as certain manufacturing industries.

From M.A. Argentina.

Report No. 6503.

February 5, 1941.

Comments on Current Events No. 45.

Furthermore, and of paramount importance, is the fact that without this projected legislation it will be difficult for Argentina to take advantage of credits amounting to \$110,000,000 recently negotiated in Washington.

Radical party leaders rejected Dr. Pinedo's overtures, and Radical members of the Chamber were instructed to vote for no legislation until the Government took steps "that will prevent the definite consumation of the shemeful elections of Santa Fé and Mendoza". Two days later, the Conservatives on their part resolved to "reaffirm the political and institutional solidarity with the Conservative sectors of Santa Fé and Mendoza". Neither side will give way, and Congress is deadlocked.

As his efforts received no support from either side, Dr. Pinedo resigned as finance minister. Dr. Castillo in an interview said that, unfortunately, Dr. Pinedo's motives had been misunderstood by the public, by his adversaries, and even by his friends.

In a caustic note to the Congress on January 16th, the Acting President pointed out that in the 3 1/2 months of the special session the Chamber of Deputies had neither passed nor considered any legislation, but had limited itself to debating political questions. He exhorted the Congress "to give the country the laws which are indispensable to meet the vast problems of the moment".

VA few days later Foreign Minister Roca resigned.

The serious newspapers and the majority of the articulate public seem to feel that politics is being carried to a dangerous extreme by both groups. One newspaper commentator, referring to a politician's statement that "it is better to sacrifice the crops than our principles", remarked caustically, "would it not be better to save both the crops and the principles?"

REMARKS.

The President's extended absence from office interferes with the running of the government even if conditions were normal. His future plans accentuate the political impasse and his statement to the press hintsuthat an effort may be made by the Conservative elements to prevent his reassumption of office. Regardless of his veiled appeal to the people for support in this contingency, I do not believe that general armed clashes will take place.

Colonel, G.S., Military Attaché.

All copies airmailed Feb. 5th.

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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina.

Country Reported On

Subject Comments on Current Events No. 46 I.G. No.

Source and Degree of Renadanty

Personal contacts; press.

RECEIVED G/2 W. D. MAR & 1941

Summarization of Report

- 1. Italian Attaché's statements.
- 2. Political situation.
- 3. Danish ships may be taken.
- 4. Officials are cattle thieves.

In Comments on Current Events Enter Item Headings Her

1. Italian Attaché's Statements.

Italy's Military Attaché in Argentina is here for no other purpose than to intensify Italian propaganda and is not interested in any information about the Argentine Army, he told the undersigned in confidence. This statement and those following were made by the Italian when he was in a very intoxicated condition.

In addition to admitting the above, the Italian, Lieutenant Colonel A. Osti, declared that the Italian Government is counting on the fact that the United States will not enter the present war under any circumstances; that the Italian people are starving; that Italy and Germany are receiving large supplies of material from Russia; and that while he realized the potential manufacturing strength of the United States, that Russia, Germany and Italy are producing about equal amounts, as is America.

2. Political Situation.

No change has taken place in the political situation during the past week but there are rumors today of a possible coup d'etat by the Radicals should Acting President Castillo refuse to hand over the presidency to President Ortiz if and when the latter desires to resume office, which is expected to be within a few days. Yesterday, February 20th was the third anniversary of the assumption office by Dr. Ortiz.

3. Danish Ships May be Taken.

The shortage of tonnage for traffic to the United States is seriously handicapping exports of primary products for national defense from Argentina to the United States, and, following the example of Chile, Argentina, it is rumored, plans to take over the several Danish ships which

From M. A. Argentina Report No. 6527 Date February 21, 1941.

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Current Events No. 46.

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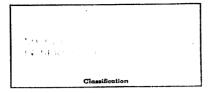
have been tied up in Argentine ports for months. These vessels have refrigerator space and could be used for the coastwise transport of mutton from Patagonia to Buenos Aires for trans-shipment to foreign ports, or they could be used for carrying wool to the United States in addition to fresh fruit under refrigeration. If taken over by the Argentine government they would be transferred to the Argentine flag before being placed in commission.

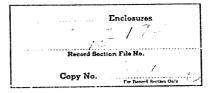
4. Officials are Cattle Thieves.

Typical of conditions in Argentina and of the morality in official circles is a report published in the local press today from Cañada Ombu in the Province of Santa Fé. According to this report, repeated thefts of pedigree cattle had been taking place from the estancia of Señor Zoilo Canton located in the town of Vera. Investigation disclosed that the local chief of police, Alfredo Agu, the justice of the peace, Luis Agu, and a third brother, Antonio Agu, had been the rustlers.

Colonel, G.S.C., Military Attaché

All copies airmailed Feb. 21st.





MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina.

Subject COLLENTS ON CURRENT EVENTS No. 47. I.G. No.

Source and Degree of Reliability:

Press & Statistical Report.

RECEIVED G/2 W. D. MAR 1 4 1941

Summarization of Report

- 1. Railway Receipts Drop.
- 2. Nazi Film Maneuvers.
- 3. Argentine Ships Carry Grain to Europe.

In Comments on Current Events Enter Item Headings Here

1. Railway Receipts Drop.

For the first five months of the railway fiscal year - July 1 to November 30 - 1940 railway receipts in Argentina from all sources were down by nearly \$20,000,000 Argentine pesos(nearly \$7,000,000 U.S. Cy.) over the unsatisfactory period of the year before in the same five months. The main loss was in freight handled with a difference of over \$3,000,000 tons or a drop of 16.8%, which corresponded to a money loss of 13% or \$19,000,000 Argentine pesos.

The six British-owned companies in the country showed a drop in receipts over the same period the previous year of from \$139,184,000 in 1939 to \$123,945,000 in 1940 according to these statistics just made public.

Principal cause of these decrease was the shortage in grain shipments by rail, caused in part by the competition of motor truck transport and the rest by cutting out the export market by the war.

2. Nazi Film Maneuvers.

The "Cine Press," leading review of the movie trade in Argentina, in its issue of February 21st exposes the maneuvers of the Nazi government to place its films on exhibition in Argentina. These films have been received by plane from Spain, via Vladivostock and Japanese ships to Buenos Aires, and by plane from Portugal to the Azores and New York and thence to Buenos Aires where they are consigned to the German Embassy. Movie house owners, especially in the provinces, have been granted loans to carry on their business by the Panco Germanico of Buenos Aires as an inducement to show German propaganda films which cost them nothing to obtain.

From M. A. Argentina Report No. 6539 Date March 5, 1941.....

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Comments on Current Events No. 47.

3. Argentine Ships Carry Grain to Europe.

Argentine shipping companies have started to use their small ships, usually confined to coastwise trade in South America, to carry grain to Spain and Portugal. This is due to the lack of the usual number of bottoms available in the trans-Atlantic freight service.

The steamer Rio Grande sailed from Necochea, Province of Buenos Aires, on Sunday, March 2nd, with 6,000 tons of barley, and Tuesday, March 4th, the steamer Norte left the port of Buenos Aires with 1,500 tons of maize both bound for Portugal, and within a few days the Josefina S. will sail from Rosario with 2,000 tons of maize for Portugal.

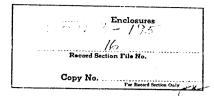
Spain is sending its own ships to Argentina to load grain and the Brazilian company Lloyd Brasiliero has also placed several ships in commission between Vigo and Buenos Aires for grain transport.

> M. A. Devine, Jr., Col., G.S.C.,

Military Attaché.

All copies airmailed March 5th.

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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina.

Country Reported On
Subject Comments on Current Events, No. 48.

I.G. No.

Source and Degree of Reliability:
Personal Contacts, Official and Press.

RECEIVED G/2 W. D. MAR 1 1 10

Summarization of Report
When Required

1. New Military Zone Commander.
2. More Graf Spee Sailors Arrested.
3. Solving Tonnage Problem.
4. To Shadow Colonel Lang.

In Comments on Current Events Enter Item Headings Here

1. New Military Zone Commander.

Colonel Juan Carlos Bassi, who had previously been named as Military Attaché in Washington(but declined for "family reasons" as previously reported) was yesterday named commander of the 3rd Militare Zone with headquarters at Rosario, Province of Santa Fé. He had formerly been director of Colegio Militar and chief of cabinet in the Ministry of War.

√2. More Graf Spee Sailors Arrested.

Two supposed tramps were taken into custody by the police in the city of Tucumán and when searched were found to be in possession of detailed plans of the northern zone of the Republic, numerous photographs and a large sum of money. Further investigation revealed that they were former Graf Spee sailors and were working as Gestapo agents as some of the copies of telegrams found in their possession were addressed to Nazi headquarters in Buenos Aires. They carried "cedulas" (identification papers) issued by the Buenos Aires police. Another former Graf Spee sailor was picked up in Southern Argentina near the Chilean border a few days ago in possession of a portable radio transmitter and camera.

√3. Solving Tonnage Problem.

The Argentine Government has named a committee consisting of representatives of the ministries of Foreign Affairs, Agriculture, Finance and Marine to study the matter of purchasing the <u>idle belligerent tonnage</u> laid up in Argentine ports so that it can be used in Argentina's foreign trade to carry agricultural products to waiting markets. Already Argentina has pressed into foreign service some of its vessels usually used only coastwise.

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Comments on Current Events No. 48.

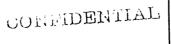
There are at present lying in Buenos Aires harbor alone 14 such ships with a total goss tonnage of 88,024 tons. Four are French, five Italian, two Danish and three German.

14. To Shadow Colonel Lang.

Herr Kesser of the Gestapo has been detailed to shadow Colonel John Lang upon his arrival in Buenos Aires. The informant reports that this agent is to report on the Colonel's personal habits, servants, family, etc.

Colonel, G.S.C., Military Attaché.

All copies airmailed Mar. 7th.



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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina Country Reported On

Subject Comments on Current Events No. 49. I.G. No.

Source and Degree of Reliability:

Government decree; press.

RECEIVED C/2 W. C.

MAR 22 ...

Summarization of Report

1. Estimate of the Political Situation in Argentina this Date.

ents on Current Events Enter Item Headings Here

1. Estimate of the Political Situation in Argentina this Date.

Following the tension in the political situation which has been growing for weeks due to the uncertainty of Dr. Ortiz's plans for resuming the presidency, the Radical abstention from legislating on the budget or any other pressing matters until the Government had taken steps to send interventors into Santa Fé and Mendoza following the fradulent provincial elections, there now appears a calm following the announcement yesterday of the issuance of decrees filling the two vacant cabinet portfolios, those of Finance and Foreign Affairs.

VDr. Carlos Alberto Acevedo, now president of the City Transport Corporation of the City of Buenos Aires and formerly Minister of Finance for a short time under President Justo, has been named Minister of Finance and will be sworn in next Monday afternoon at 4 o'clock.

Señor Enrique Ruiz Guiñazu, former Minister to Switzerland and at present Ambassador to the Vatican, has been named Minister of Foreign affairs. He is now in Rome.

The much heralded manifesto of the Radical Party has not yet been issued and it is believed this political group will soon cooperate in Congress to consider the budget and other pending legislation. The United States credits of \$110,000,000 are among the pending business and it is expected they will be approved within the next two weeks.

There is still uncertainty about the intentions of Dr. Ortiz. The Radicals based their opposition to working in Congress on the idea that this opposition would force Dr. Ortiz to resume office to save the situation. In is the general belief that the leaders of that party now are of the opinion that Dr. Ortiz's eyesight is so bad that he will not be able to take over the Presidency again and may have to resign on (this account so the opposition ends.

M.A. Dewine Jr. Col. G.S.C.

M.A. Dewine Jr. Attacher

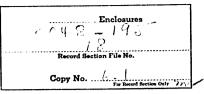
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From M. A. Argentina Report No. 6547. Date March 14, 1941.

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Page 1

WAR DEPARTMENT OCS Form 17



MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina.

Subject Comments on Current Events No. 50. I.G. No.

Source and Degree of Reliability:

As stated.

RECEIVED G/2 W. D. MAR 2 6 1941

Summarization of Report

1. Army Graft Scandal.

In Comments on Current Events Enter Item Headings Here

1. Army Graft Scandal.

The second sensational graft scandal in the Argentine Army in recent months - the first was the purchase of additional land for El Palomar air base previously reported - rocked the armed forces with the disclosures made by Socialist Deputy Solari during the March 14th session of the Chamber of Deputies. The speaker charged that the War Ministry had been invoiced for imaginary material; had made sales by auttion of army material still useful at ridiculously low prices; that seaside chalets had been constructed at government expense for high-ranking officers, among other things. The speaker quoted names, figures involved and dates in practically every case.

General Tonazzi, Minister of War, stated when interviewed by the press the same day that investigations were already under way and had been for some time.

General Rocca, former director of the Army Material division, was named as one of those implicated. He was recently made commander of the 1st Army, but when the Military Attaché made inquiries from G-2 he was told that General Rocca "was on vacation".

The breaking of this scandal in Congress by the Socialists - who also broke El Palermo scandal - may have one or more of the following four objects in view:

1. The politicians want to make the present political situation more confused;

2. They are trying to get the public mind on something else in order that they may clear up the present political muddle;

3. The army and navy may be playing in politics and

the politicians wish to discredit both services;

4. The politicians may want to get rid of some officers in high positions by smirching them with graft charges.

From M. A. Argentina Report No.6553 Date March 17, 1941.

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WAR DEPARTMENT OCS Form 17

Current Events #50.

It is significant that these charges date back to 1937 which is before President Ortiz assumed office.

La Nacion in a strong editorial the day following the Solari speech urged that drastic action be taken in this matter so as to clear the good name of the army by convicting any officer guilty of graft, as the reputation of the armed forces must be above suspicion.

> Colonel, G.S.C., Military Attaché.

All copies airmailed Mar. 19th.

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Enclosures
 Record Section File No.
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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina. Subject Comments on Current Events No. 51 I.G. No.

Source and Degree of Reliability:

Press and Personal Contacts.

RECEIVED G/2 W. D. 777. 1 1941

Summarization of Report

- 1. Army Bomber Crashes Killing Six.
- 2. General Niedenfuhr Back in Buenos Aires.
- 3. Mexican Attaché Returns.
- 4. New Chilean Military Attaché.
- 5. Navy Meat Ban Arouses Criticism

1. Army Bomber Crashes Killing Six.

About three and one-half hours after leaving El Palomar aerodrome to beturn to the airfield at Villa Mercédes, (San Luis) March 20th, and when nearly the entire journey had been completed a 7-ton Martin bomber piloted by Lieutenant Colonel Cormack Lynch crashed into a windmill on an estancia near Chaján, Province of Córdoba, due to thick weather and a zero ceiling. Colonel Lynch and the three other officers and two corporals were killed and burned as the machine caught fire in crashing.

Just a few minutes before the estimated time of the crash, El Palomar had received a message from the plane stating that the weather was bad, heavy rain and no ceiling and that they feared they were becoming lost.

Colonel Lynch was one of the outstanding officers of the Argentine Army Air Corps. He was liaison officer with both flights of Flying Fortresses which came to Argentina, and was recently mentioned as a likely candidate for the post of Military Attaché in Washington to succeed Colonel Zanni.

√2. General Niedenfuhr Back in Buenos Aires.

General Niedenfuhr who served for several years as chief of the German mission with the Argentine Army and who later was sent to Brazil as military attaché has returned to Buenos Aires from Rio de Janeiro. As previously reported, General Niedenfuhr is believed to be the head of the 5th Column activities of the Nazis and his return to Argentina possibly means that these activities are to be increased.

From M. A. Argentina Report No. ..6558..... Date March.21, .1941...

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Page 1

WAR DEPARTMENT OCS Form 17

Current Events No. 51.

√3. Mexican Attaché Returns.

Colonel Dagoberto Juarez, Military Attaché to the Mexican Embassy, is returning to Buenos Aires to take up again the duties of that assignment. A few months ago Colonel Juarez was relieved as military attaché to return permanently to Mexico and at that time the other military attachés gave him a banquet and made him an adequate present as souvenir of their relations.

4. New Chilean Military Attaché.

Colonel Alejandro Acuña Nuñez has arrived in Buenos Aires from Santiago to take up the duties of Military Attaché at Chilean Embassy in succession to Major Wurth Rojas recently relieved. (See confidential dispatch #6448 of Dec. 6, 1940).

5. Navy Meat Ban Arouses Criticism.

News published here that Congress retained the clause in the navy appropriation bill forbidding navy purchases of Argentine canned meat caused sharp criticism in all sections of the press. "Blow to Good Neighborship" was the way one newspaper headed its dispatch.

The American Chamber of Commerce in Buenos Aires cabled the Appropriations Committee of the House earnestly recommending a reconsideration, as follows: "Newspapers here featuring your refusal permit navy purchasing Argentine canned meat which contrasts with earlier indications that such purchases would take place as integral part hemisphere defense and solidarity plans stop earnestly recommend your reconsideration."

A. Devine, Jr., Colonel, G.S.C., Military Attaché.

All copies airmailed Mar. 21st.

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Enclosures 2048-1-5
Record Section File No.
Copy No.

MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MIL	ITARY ATTACHE	KEPORT.	Argentina. Country Reported On
Subject Comments on Curr	ent Events No. 52.		I.G. No
Source and Degree of Reliability:	RECEIVED G/2 W. D.	APR 5	1941
Official	. and Press		

Summarization of Report

- 1. General Rocco Relieved.
- 2. Trap for Italians.
- 3. Railway Receipts Slump.

In Commonts on Current Events Enter Item Headings Her

1. General Rocco Relieved.

Major General Pedro J. Rocco has been relieved of command of the lst Army and placed on the waiting list. This action was taken by the Minister of War following accusations in the Chamber of Deputies of graft in the Purchasing Devision of the Ministry of War at the time when General Rocco was in charge of that Division (see Comments on Current Events No. 50, March 17th, 1941). In addition to General Rocco, it is stated that one colonel, a major, and two other officers are under arrest in connection with the same irregularities relating to the purchase of army stores.

Yesterday General Tonazzi, the Minister of War, sent to the Chamber of Deputies a fifteen hundred page report on the investigation made under his direction of the irregularities mentioned above. The Chamber of Deputies will also make an investigation. Socialist Deputy Solari stated, when the Minister of War's report was received, that he hoped the Army would take measures to prevent the guilty officers from realizing on their investments or withdrawing bank deposits which were the fruits of the irregularities in the purchase of army stores.

2. Trap for Italians.

The Fascists in Argentina are apparently taking a leaf from the Nazi book on checking up on their nationals in this country, and putting them under pressure to contribute for the good of the Fascist cause.

The key to this new development is a small advertisement which appeared in "La Prensa" and other newspapers a few days ago, reading as follows:- "I buy property in Italy, giving property or business in this country in exchange".

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From M. AArgentina This line to oppose on all succeeding p	Report No6568 Date .	March 27, 1941:
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WAR DEPARTMENT OCS Form 17 Current Events No. 52.

It is stated that this advertisement has been answered by many people only too anxious to get rid of property in Italy in exchange for safer investments in Argentina. It appears, however, that in answering this advertisement they are playing into the hands of a Fascist agent, who makes a note of all their offers and then sends a full report to the Rome Government.

It is further stated that the treatment of the "clients" varies according to their political sympathies. Anti-Fascists have their property confiscated without further question; if they are either indifferent or sympathetic toward Fascism, they receive an intimation to the effect that a good-sized contribution toward the Fascist funds will be welcome; it is hinted at the same time that the extent of their holdings in Italy is known to the authorities, and an implied threat regarding the safety of their family and friends is said to be made.

3. Railway Receipts Slump.

Further indication of the precarious position of the privately owned railroads in Argentina is given in figures just published for the last six months in 1940 compared with the same period in 1939. These statistics show a slump of 3,239,000 tons in the amount of freight traffic carried, which means a reduction of \$23,294,000 (Argentine pesos) or 12.4% in the gross receipts of these roads.

The State Railways, however, show an increase in gross receipts of \$975,000 (Argentine pesos), which is equivalent to 1.9% in earnings.

The slump in the privately owned (English) roads is due both to the drop in grain exports on account of the European War and also to increased competition from motor transport to the various ports, which in the case of one port during 1940 amounted to 78% of all the grain shipped overseas.

M. A. Devine, Jr., Colonel, G.S.C., Military Attaché.

All copies airmailed March 28th, 1941.

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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

Summarization of Report

- 1. Huge Exports to United States.
- 2. Argentina May Take Over Tonnage.
- 3. Largest Grain Surplus.

In Comments on Current Events Enter Item Headings He

1. Huge Exports to United States.

In addition to increasing exports of wine, vermouth, cheese and other commodities, great shipments of wool and hides sent Argentine exports to the United States for March scaring to a total value of \$14,492,806.00 U.S. currency. This is an increase of 125% over March a year ago, and an increase of 26% over the previous month of February 1941. Wool, bought for defense purposes in the United States, was the largest single item exported, accounting for 54% of the value of March exports, and 57% of the total for the first three months of the year. Much greater amounts of Argentine products would be exported if bottoms were available.

2. Argentina May Take Over Tonnage.

It appears that the Argentine Government is now considering taking over interned foreign tonnage in various ports, which totals 26 vessels, and to use these vessels both in coastwise trade and to other countries of the Americas where serious shortages have existed for months. The action of President Rossevelt in taking over such ships has been a strong factor in the reported decision of the Argentine Government. For some time the press and various patriotic and trade organizations in Argentina have been urging this step.

3. Largest Grain Surplus.

The Ministry of Agriculture estimates that there is an exportable surplus of maize(corn) emounting to 12,068,000 tons, the largest in the history of Argentina, and no European market available. Besides this surplus for export, there are 4,188,130 tons of exportable wheat and 1,321,316 tons of linseed. Some of the former will be absorbed by Brazil

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Comments on Current Events No. 53.

under the new trade agreements signed with that country, but the linseed has only the United States as a market under present world conditions. So great is the scarcity of tonnage clearing from Buenos Aires at present that one newspaper estimated it would take fifty years to ship the surplus maize at the rate ships left the port during the first eight days of April 1941.

John W. Lang, Colonel, Inf., Military Attaché.

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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina,

Country Reported On
Subject Comments on Current Events No. 54 I.G. No.

Subject and Degree of Reliability:

Personal contacts and press

Summarization of Report

1. Argentina Remains on Fence.

In Comments on Current Events Enter Item Headings Herri

1. Argentina Remains on Fence.

The hesitancy of the Argentine Government to follow the lead of the United States and other American Republics in taking over interned Axis tonnage lying in their harbors, as well as its continuing to allow the publication of newspapers in Buenos Aires known to be supported by money from the German Embassy and to be really propagenda sheets for Germany and Italy, may be attributable to the hope of certain high Argentine officials that the Axis will win the present war and Argentina with such backing may then become the ruler of all South America. Another reason is perhaps a latent dislike for the United States.

In spite of the fact that Argentina is much smaller than Brazil, (which is nearly 300,000 square miles larger than the United States exclusive of Alaska), and has only 13,000,000 population against Brazil's 44,000,000, her politicians have always considered Argentina the most important nation in South America. On occasions of strained relations between Argentina and Brazil, the newspapers have referred to the Brazilians as "macacos" (monkeys). This obsession of Argentina to be the spokesman of all Letin America has in recent years caused much friction in various conferences.

Quite the opposite attitude in regard to the present war from that of the politicians now in power is that of Dr. Marcelo T. Alvear, former President of the Republic, and head of the powerful Radical Party. In the course of an interview on April 21st with CRITICA, leading afternoon daily, Dr. Alvear is reported as having expressed astonishment at the seeming indifference of Argentina toward the outcome of the war, and as having voiced the conviction that Argentina should not hesitate to join forces with the United States for the defense of democracy. He expressed himself as being sure that the intervention of the United States in the present conflict would ultimately be instrumental in saving democracy.

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Comments on Current Events No. 54.

Dr. Alvear regretted that some Argentines look with suspicion on the United States instead of on the totalitarian regimes. He ascribed the present Argentine attitude to a vanity which did not admit of the country's playing "second fiddle" to any other nation, just as it would not recognize that there were any better cattle, more beautiful landscapes, or prettier women than those of this country.

He also is reported in CRITICA as having said that those Argentines who hope for a German victory seem to forget the fate which awaits this country in the event of an axis victory; for Argentina could scarcely hope for more consideration than was shown unfortunate France.

John W. Lang, Colonel, Inf., Military Attaché.

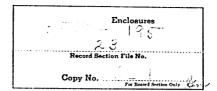
All copies airmailed April 23rd, 1941.

From M. A. Argentina.

Report No. 6596

April 22, 1941.

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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina.....

Subject Comments on Current Events No. 55.

RECEIVED 6/2 W. D. MAY 6

Source and Degree of Reliability:

As stated.

Summarization of Report

1. Notables Criticize Argentine Attitude.

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1. Notables Criticize Argentine Attitude.

During the last few days Critica has been publishing a daily interview with notable Argentine political leaders which runs about half a page in length under an eight column head. This headline asks the question: "In case Germany menaces the American unity ought Argentina to enter the war?" The interviews so far have been with leaders of the Radical(Liberal or Left Center) and Socialist parties. The first was with Dr. Marcelo T. Alvear, a man of 73 years and former president of the Republic, 1922-28. Dr. Alvear is considered a humanitarian, a franc-ophile and is chief of the Radical Party. a digest of his statements was reported in Comments on Current Events No. 54, April 22nd.

Dr. Nicolas Repetto was the second interviewed. He is an outstanding surgeon, 70 years old. He said, in effect, that great economic and moral forces were moving in this continent and that no one could escape the fact that the United States must enter in the contest(war) because of its economic destiny. "We must follow their(U.S.) exemple even if we have much smaller resources and power of organization," he said. "We have no real government; our people are mainly interested in enriching and enjoying themselves; the Church, strangely enough, ingratiates itself with the totilitarians in spits of its persecutions by them; this is not strange when it is remembered that Democracy creates liberty of conscience and opinion while the Church gives dogmas forever", Dr. Repetto continued.

In reply to a question as to what would happen to the Argentines in case of a German victory in Europe, Dr. Repetto said that they would be colonial slaves. He continued: "The United States is great in peace and will prove itself so in war. The United States today is a vast factory where all industries are expanding to meet the possibility of resistance against motorized barbarity. There is our example. If we do not follow we shall never be a great, independent people. We shall be mere factors."

From M. A. Argentina Report No. 6601 Date April 25, 1941.

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Current Events No. 55.

Dr. Mario Bravo, 59 years old, former Socialist deputy and denator, 1912-38, as the third leader interviewed said that neutrality is a fraud and a peril for Argentina. "We have been involved in the conflict ever since our economy was involved," he said. "Is it not a threat against us as an independent nation the existence of nearby German supply bases in the south of Chile which have been revealed in the press and which has not been denied? We have a navy in hiding. Would it not be well for Brazilian, Argentine and Chilean warships to patrol the waters of the southern part of the continent? But we can't do this on account of our 'strict neutrality.'

"As to the present Government, nothing is to be expected from one which lacks the efficiency necessary to make the Congress work sufficiently to give the country a budget. A vice president acting as president has the same authority as the regularly elected president." Dr. Bravo urged the confiscation of the ships now interned in Argentine ports that these bottoms might be put to use carrying Argentine exports, especially to the "nited States. He commented that Argentines are living "in guilty inertia."

In conclusion, he said: "We are giving the world a lesson in lack of character. Normally we should be solidly on the side of the United States, ready and willing to make every effort and sacrifice in the ardent desire that this debasement(Nazi-Fascism) does not sufficate the spirit of freedom - unless we prefer shame to fighting."

Informed opinion states that the remarks of Drs. Alvear, Repetto and Bravo are not mere Opposition attacks on the Administration, but rather are the sincere expressions of their views on the subject. The same source informs me that Dr. Castillo is controlled by General Justo, the ex-President, as are most of the important office holders in the national government and in important provinces such as Santa F6 and Mendoza.

My informant is Dr. Ernesto Alemann, publisher of Argentinisches Tageblatt, an anti-Nazi German-language daily in Buenos Aires. He is a brother of Dr. Alemann, Finance Minister of the Province of Buenos Aires.

John W. Lang, Colonel, Inf., Military Attaché.

All copies airmailed Apr. 25th.

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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina
Country Reported On
Subject Comments on Current Events No. 58

I.G. No.

Source and Degree of Reliability:

As stated. RECEIVED G/2 W. D. MAY 2 3 1941

Summarization of Report

1. Argentina May Not Follow the U.S. in War.

In Comments on Current Events Enter Item Headings Here

1. Argentina May Not Follow the U.S. in War.

On Tuesday, May 13th, Mr. Carlos Tornquist, banker and industrialist, gave a luncheon at his home for me in order that I might hear something of the local situation from leading Argentines. He invited six men of between 35 and 40, all friendly to the United States, all successful professional men. They were:-

Dr. Alberto Severgnini - lawyer, connected with the New York law firm to which Wendell L. Wilkie belongs.

Dr. Bernard Bilbao - lawyer.

Dr. Enrique Gil - lawyer.

Dr. Rod. Moltedo - member and a leader of "Acción Argentina".

Mr. Julio A. Noble - civil engineer, ex-deputy, President of Aero Club, son-in-law of owner of LA NACION, a leader of "Acción Argentina"

Mr. René Berger - financier.

Mr. Tornquist explained that I had recently arrived and, in order to give me an opportunity to learn something of Argentina, he had invited the group to luncheon.

The Argentines talked freely, frankly and much. They were in accord in the following matters:-

90% of Argentines are pro-American. This condition began with President Roosevelt's visit. Many are pro-British for one reason or another. Mr. Roosevelt is extremely popular here. In contrast to the present attitude, mention was made of a fund which was raised here for Sandino, that Argentines knew little of him or his cause, but the fund was raised merely because Sandino was fighting against the United States.

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Current Events No. 58

The governing classes, controlled largely by "the generals" and the large cattle growers, are not pro-american or pro-ally. In spite of the fact that we import the bulk of Argentina's most important crop - linseed - there is still a feeling against us because of the meat question. This was explained by the statement that the linseed growers don't count politically, while the cattle people do count. The quickest and most effective way to win Argentine support would be to buy Argentine meat - even if we had to send it to starving France or Spain, but buy it.

They said that acting President Castillo is not anti-American, and must depend upon one of three things, i.e., a) support of his personal following, b) General Justo and, c) the generals. He has no real personal following; he dislikes and distrusts General Justo, who is essentially pro-Justista; so he relies on the generals, who, with some exceptions, are friendly to or admire the axis powers. The most dangerous of the generals is General Juan Bautista Molina (retired). The Inspector General (Head of the Army), General Cassinelli, is pro-democracy as is General Pierrestegui, the Chief of Staff.

Great admiration was expressed for the American people's stand in objecting to sending men to Europe, but being quite willing to send them out of the United States to defend Latin American countries from aggression. This, they said, indicates a sincere and altruistic attitude.

They said that Argentina's trouble could be expressed in a few words, viz., she did not want to play second fiddle in Latin American affairs to the United States. Holding the second-best hand in the poker game is repugnant to Argentina. Argentina is unlike Guatemala, for instance, which merely reflects external opinion.

They said that this attitude of wanting to be undisputed leader of Latin America, and the influence of the generals and the cattle men would work powerfully against Argentina's abandoning her neutrality.

COMMENT: These gentlemen remarked that no other foreigner had been shown so much of the family skeleton. As one expressed it: "Now you know us as we see ourselves." That was, of course, so much soft scap, but I sensed sincerity in the long conversation, much of which I missed because, characteristically, all tried to talk at once in Spanish. In order to keep the record straight, from time to time I would repeat certain statements for clarification or to insure that I got the correct picture. It must be remembered that all of these men are pro-American.

John W. Lang, Colonel, Inf., Military Attaché.

All copies airmailed May 14, 1941.

From M.A. Argentina

Report No. 6637

May 14, 1941.

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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT

Country Reported On
Subject
Comment on Current Events No. 57
I.G. No.

Source and Degree of Reliability:

As stated.

RECEIVED G/2 W. D. MAY 2 3 1941

Summarization of Report

WAR DEPARTMENT OCS Form 17 1. Argentina May Follow U.S. in War.

In Comments on Current Events Enter Rem Headings He

1. Argentina May Follow U.S. in War.

Dr. Leopoldo Melo, who headed the Argentine delegations to the Pan American Conferences held at Panama in 1939 and at Havana in 1940, is of the opinion that Argentina will base its policy on that of the United States as far as the present war is concerned, and is much more likely to follow the United States into war than is Brazil, where the internal situation caused by the large German populations in the southern states makes such a step problematical. This opinion he expressed in a conversation with the undersigned.

Discussing Argentina and its policies, Dr. Melo told the Military Attaché that acting President Castillo is not a "big" man, and has few, if any, brainy advisers. As a former judge, he is slow and cautious and approaches a problem in a judicial manner.

As to formed political opinion in this country, Dr. Melo said that there is no such thing among the larger political parties. The Radicals are split into two almost equal factions; that headed by Dr. Alvear (who is titular head of the party) is in favor of declaring on the side of Britain, while the other group (Nacionalistas and Tradicionalistas), who remember Argentina's experience in the last World War, are in favor of the country's remaining neutral. The Socialists are likewise split. Dr. Repetto (titular head) leads the group favoring the abandonment of neutrality. An overt act affecting Argentina's sovereignty, territorial integrity, or honor would precipitate action, Dr. Melo stated.

Dr. Melo was or by General Juan Bautis	ne of those who participated is ta Molina at the Jockey Club L	n the luncheon given ast November (reported
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U. S. GOVERNMENT PRINTING OFFICE 16-14547	Classification	Page 1

Current Events No. 57

in Current Events No. 38, Nov. 14th, 1940, and Dispatch No. 6411, Nov. 18th, 1940) in honor of the German Ambassador on the occasion of his completing seven years of service in Argentina. The presence of Dr. Melo among this group of pro-Nazi army officers and political leaders caused considerable comment at the time. There are various versions of why he attended a Nazi gathering. One informant tells me that it was a trap, that some of the invited persons did not know that it was a political move, and that it did the Germans a lot of harm as many of the Argentines repudiated the shabby trick. Others say that Dr. Melo consulted the then Foreign Minister, Dr. Roca, and was told "let your conscience be your guide", and some say Melo loves publicity and a good, free meal.

Regardless of the luncheon and its implications, Dr. Melo's statements to the undersigned are interesting inasmuch as they come from an important man well-informed on Argentina's policy and politics.

John W. Lang, Colonel, Inf., Military Attaché.

All copies airmailed May 14, 1941.

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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina Country Reported On Subject Comments on Current Events No. 56 I.G. No.

Personal contacts, conversations, and observation; press.

Summarization of Report

1. Estimate of Political Situation this Date.

In Comments on Current Events Enter Item Headings He

1. Estimate of Political Situation this Date.

It is perhaps significant of the political situation in Argentina that none of the important political parties in the country has a program of foreign policy. Only the openly pro-fascist groups and the parties and groups of the left have a program and aims in this respect.

The big parties (Unión Cívica Radical and Partido Demócrata Nacional) have no such program. Leaders and members of these parties have, of course, their ideas, but as entities the parties have taken no stand. In Unión Cívica Radical, Dr. Marcelo T. Alvear, former President, and his opponent, Dr. Honorio Pueyrredon (personal friend of President Roosevelt), the two leading parliamentarians of this group, are pro-ally and favor cooperation with the United States. This is true of the leading men of the conservative Demócratas Nacionales party whose pro-ally feelings are very strong, but whos ideas about Panamericanism are influenced to a great extent by the conception of Argentina as a "Great Power", and leader of all South America which, when acknowledged, will enable this country to meet the United States on equal terms.

There is a big group of students, intellectuals, young lawyers, labor leaders and officers of the armed forces, disappointed about the trend of internal politics, who have lost confidence in democracy, but at the same time are anti-imperialistic. These movements have two sources: leftist groups which reach even the youth of Unión Cívica Radical, and extreme right groups. Friends of the totalitarian 'deologies have found in anti-imperialism something in common. The Sentiments of this group have been nurtured by communist and nazi propaganda.

Since the outbreak of the present European war, nazi propaganda has played up the predominant influence of England in this country, and

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Classification

Current Events No. 56.

at the same time flattered the university youth with the idea that "Argentines are ripe to govern themselves". The events of the Spanish Civil War and the situation of Spanish refugees in France have been used by the nazi propagandists as a very efficient weapon among the working classes.

Also, at the same time demagogical propaganda about the permanent financial contributions every Argentine is making to London for transport (street cars and railways) and Wall Street (phone and utility companies, although they fail to mention the Italian company which furnishes much of the light end power in Buenos Aires) has had considerable effect on the man in the street whose wage is low and whose living conditions leave much to be desired.

In spite of the foregoing background, there appears to be a decided change in the general sentiment of the Argentines recently as to the present world situation and the necessity for the Americas to present a united front against the totalitarian powers. For months the Radical Party in Congress has refused to attend sessions and vote on urgent bills such as the 1941 budget and the ratification of the \$110,000,000 loan from the United States, but two days ago the leaders of this party agreed to cooperate with the Government in passing necessary legislation in the forthcoming session of Congress. This group has been holding out until the Government took some action in the allegedly fraudulent elections in Santa Fe and Mendoza. However, when acting President Castillo and his cabinet continued the 1940 budget appropriations for 1941 a few days ago, and when, at the same time, the acting President threatened to govern by decree unless Congress got down to work, the Radicals agreed to "play ball". The Government, through Castillo, still declines to confiscate axis ships in Argentine harbors, despite the acute shortage of bottoms, but says that it will buy such ships.

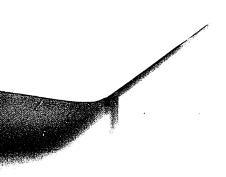
It is rather significant that LA NACION on May 8th dedicated its leading editorial to the decision of the Radicals to cooperate with the Government, and its second one to the radio broadcast of Secretary of War Stimson. Although LA NACION did not express any opinion on the Stimson thesis, it did recall that similar circumstances of unlimited submarine warfare in 1917 caused President Wilson to declare war on Germany.

Other newspapers such as CRITICA and EL MUNDO, which have large circulations among the middle classes, have been preparing their readers for Argentine cooperation with the United States and other American countries against Germany and Italy. CRITICA has had a series of interviews with the leading political personalities of the important parties, who have all agreed that Argentine "neutrality" is a deception in that there is no such thing as a neutral in the present struggle for world domination. EL MUNDO in an article entitled "La Guerra en el Umbral", which, translated, means "The War on our Doorstep", takes the Government severely to task for not following Uruguay and other South American countries, and is equally explicit in warning the Argentines, as was Secretary Stimson in his broadcast to Americans. The editorial writer tells his readers that only the control of the seas will win this war, and that the situation for Argentines is to live or to die, to be a nation or to be slaves of Hitler.

In an address on May 1, Labor Day, Dr. Nicolas Repetto, Socialist leader, said that although the Argentine Government could

From M.A. Argentina.

Report No. 6625



Current Events No. 56.

remain neutral, the Argentine people - particularly the working classes - could not be indifferent or neutral towards a struggle in which their freedom and well-being are at stake. "The future of Argentine democracy", he said, "depends on the result of the European war. If the Anglo-Americans are successful, we shall be able to continue, with renewed energy, our historic mission of correcting the mistakes of the past and raising the general culture of the people. If Germany is victorious, our traditions of freedom will be stifled to death, and we will enter a black period in which a tyranny of unprecedented refinement will be rampant."

All these straws in the wind would indicate that, whatever the position of the Government, the Argentine people are very much alive to the situation which confronts them and the rest of the Americas.

John W. Lang, Colonel, Inf., Military Attaché.

All copies airmailed May 9, 1941.

MILITARY I
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Enclosures
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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

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	2. General Mohr's Tribute.	
	3. German Banks Warning.	

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4. Argentine Faith in Britain.

1. No Foreign Flags.

Close upon the heels of a hostile demonstration in front of a German book store in Buenos Aires where an Argentine and Nazi flag were displayed together, the Minister of Interior on May 21st - four days before Independence Day - ordered that henceforth only Argentine colors may be displayed on national holidays. In the past it has been the privilege and custom of foreign business firms and householders to fly their own country's emblem alongside that of Argentina.

√2. General Möhr's Tribute.

"America will be the deciding factor by its intervention in the war" in the opinion of General Guillermo J. Möhr, retired, in an interview this week in "Critica." Speaking of his recent trip to the United States with other South American army chiefs, he paid tribute to the U.S.Army in the following words: "During an extensive trip in the United States covering more than 10,000 kilometers I had the opportunity to appreciate the organization and efficiency of the North American Army which is working feverishly to place itself at the height of the best in the world. In spite of the fact that our trip was mostly by plane, visiting airplane factories, artillery posts, infantry bases, mechanized troops, military academies, etc., it was possible to appreciate the high grade of preparation of the units and the excellent quality of matériel, of which the North Americans have fabulous quantities."

3. German Banks Warning.

It is reported that German banks in Buenos Aires have informed their clients that the present war will be a long one - thus admitting the contrary thesis to that of Hitler. It is believed that this warning from the various German banks was given to prepare their customers for

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From M. A. Argentina Report No. .6649 Date May 23, 1941

NO OBJECTION TO PUBLICATION IN SERVICE JOURNALS.

WAR DEPARTMENT OCS Form 17

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Current Events No. 59.

what they must face in a business way. There have been no German promises of delivering goods to Argentine customers in recent months, as was the case in 1940.

√4. Argentine Faith in Britain.

The general attitude of the Argentine people as to the present conflict in Europe was defined in a few words by the Mayor of Buenos Aires, Dr. Carlos Pueyrredón, at the monthly luncheon of the British Chamber of Commerce with an attendance of 700 a few days ago. He said:
"We Argentines have faith in Britain's victory. England stands for civilization and decency, and we cannot but admire and respect her."

John W. Lang, Colonel, Inf., Wilitary Attaché.

All copies airmailed May 23rd.

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MILITARY INTELLIGENCE DIVISION

WAR DEPARTMENT GENERAL STAFF	
Military Attaché Report	Argentina Country Reported On
Subject Comments on Current Events No. 60.	I.G. No
Source and Degree of Reliability:	
As stated.	
Summarization of Report When Report 1. Argentina should stop Vacillating.	
In Comments on Current Krouts Eater Lies Headings Here	

√1. Argentina should stop Vacillating.

Don Torquato Di Tella, head of one of the most important Argentine companies making electric motors, refrigerators, etc., and which recently became the distributor of Westinghouse Electric products in Argentina, has just spent several months in the United States. A few days ago he gave an interview to "Argentina Libre" in which he expressed his views in favor of the "Good Neighbor" policy of the United States and what Argentina should do in the present state of world affairs.

He enters a plea for a clear-cut definition of Argentine policy in the present conflict, and is far from enthusiastic about Argentina's role of enfant terrible at the conferences of Havana and Lima. He states that the world will be astonished beyond measure at the end of the present year when the achievements of America's war industries is known.

According to Senor Di Tella, Argentina, the United States and the freedom of sundry other peoples of this continent, and all the worthwhile values in the life of the past hundred years have depended on the British Navy, and the security from aggression which it has given the Western Hemisphere. The need of a definition of Argentine policy is stressed and reiterated by Senor Di Tella. The Good Neighbor policy, he says, is a genuine gesture of good will and friendship on America's part towards the people of Latin America.

The consequences of indecision, and lack of solidarity behind America's lead, in a policy of continental solidarity are foretold. "Which-ever side wins," he says, "will remember our vacillation and hesitancy and will accordingly feel under no obligation to show us tolerance or consideration."

blewidan John W. Lang. Colonel, Inf., Wilitary Attaché.

All copies airmailed May 29th.

From M. A. Argentina Report No. 6654 Date May 26, 1941.

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Classification

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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

Summarization of Report

- 1. Army Graft Scandal Developments.
- 2. Foreign Army Chiefs to Visit Argentina.
- 3. Schools to be Probed.

In Comments on Current Events Enter Item Headings Her

1. Army Graft Scandal Developments.

Investigation into the scandal of the purchasing department of the Argentine Army(see Comments 50 and 52) has resulted in General Pedro J. Rocco being placed under arrest(June 2nd) and real estate valued at nearly a million pesos which he owns has been tied up to prevent its sale. General Rómulo E. Butty, also involved, was placed on the retired list a few days ago at his own request. Two lieutenant colonels also have been placed under arrest and their property tied up pending the final result of the investigation and trial.

2. Foreign Army Chiefs to Visit Argentina.

Announcement was made in the Buenos Aires Press this morning that the Minister of War, General Tonazzi, has issued invitations to army heads of various American Republics, including the United States, to be the guests of the Argentina Army for the National Holiday, July 9th, and afterward to visit various military dependencies. It is stated that delegations of four and five officers are expected from several of the republics. Comment in the press is to the effect that this action by General Tonazzi is a direct result of General Marshall's having South American officials visit the United States a few months ago.

✓3. Schools to be Probed.

As a result of discoveries that teachers in a number of public schools throughout the country were sympathetic with Totalitarian doctrines and were influencing pupils in that direction, the Ministry of Public Instruction has started a nation-wide investigation to remove such teachers.

John W. Lang, Col. Ind Wilitary Attache.

From M. A. Argentina. Report No. 6677. Date June 6, 1941.

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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

War Department General Staff
MILITARY ATTACHÉ REPORT Argentina Country Reported On
Subject Comments on Current Events No. 62 I.G. No. MAILED G/2 W.D.G.S. JUN 191941 Source and Degree of Reliability:
As stated.
Summarization of Report When Required
1. Where Argentine Leaders Stand.
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1. Where Argentine Leaders Stand.
In a conversation on June 6th with Civil Engineer Julio A. Noble, ex-deputy, president of the Cabildo Abierto and head of the group called Acción Argentina, he said, in effect:
1). Acting President Ramón Castillo is a timid man and is not pro-German. His three advisers, those to whom he listens and whom he heeds, are: Dr. Roberto Repetto, Chief of the Supreme Court and decidedly pro-Ally; Dr. Patrón Costas, President of the Senate and not a pro-German; General Justo, ex-president and a pro-Justo man. (This is at variance with the statement made by Mr. Carlos A. Tornquist. See my 6637 of May 14th.) 2).At a luncheon very recently, sitting next to Dr. Patrón Costas, the latter said in conversation: "If England were defeated, it would be a terrible thing".
3). General Justo's great ambition is to be the next president. Although he is not pro-anything other than pro-Justo, he is fully aware that a victory for Germany would put into the saddle the pro-German generals and thus Justo's chances for election would be greatly reduced.
4). No revolution has ever succeeded in Argentina without the support of the Minister of War.
5). The Minister of War (General Tonazzi), the Inspector General (General Cassinelli) and the Chief of Staff (General Pierrestegui were named by Acting President Castillo. They are all pro-Ally. This is an indication of Castillo's attitude.
G-2 Distribution: 4, 5, 6, 6,
From M. A. Argentina Report No. 6679 Date June 7, 1941

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Current Events No. 62

- 6). There is little chance here of a revolution by the pro-German element because General Tonazzi, the Minister of War, could and would choke it off promptly.
 - 7). General Cassinelli is technically able but is not a man of character.
- 8). The big and vocal pro-Nazi general, Juan Bautista Molina(Retired), is an opportunist and a congenital plotter, "would plot against God today and against the devil tomorrow". He is discredited because the Army knows he receives Nazi subsidies and has no real influence.
- 9). The most outstanding pro-Nazi general is Basilio Pertiné(Retired). Pertiné, he said, is a man of character, influence and integrity. He is no plotter whatsoever.
- 10). The generals who are pro-Nazi are roughly those of inferior technical ability, while the pro-Ally ones are roughly the more competent ones, and therefore the more influential ones with the Army.
- 11). Acting President Castillo has two sons, one of whom is pro-Ally and the other is pro-Nazi. His wife is pro-Ally.
- 12). The purchase by our Army of Argentine canned beef, as announced this week, will do much toward influencing the cattle growers with regard to the United States.
- 13). There is no organized opposition in the Army to Pan American solidarity.
- 14). The Chief of Army Air Corps, General Zulooga, a pro-Nazi of little intelligence, believes the silly German argument that the United States is instigating Chile to seek to regain Patagonia from Argentina.

COMMENT

The undersigned is thoroughly convinced that Mr. Noble is honestly and sincerely anti-Nazi, pro-American and pro-Ally. He is a man of superior ability and is extremely well-informed on the matters herein. As son-in-law of the owner of La Nación, he has excellent contacts. He informed me that the Acción Argentina has its own intelligence service.

John W. Lang

Colonel, Inf. Military Attaché

All copies airmailed June 11th.

June 7, 1941

Report No. 6679

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Enclosures
 Record Section File No.
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MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ	REPORT Argentina Country Reported On
Subject _Comments on Current Events No. 65	I.G. No
Source and Degree of Reliability:	
Press and personal observation.	

Summarization of Report

- 1. Argentina Thinking of Defense.
- 2. Subversive Propaganda Questioned.

In Comments on Current Events Enter Item Headings Re-

√1. Argentina Thinking of Defense.

Although under the "judicial" thinking of Acting President Castillo the Government continues to stress its "neutrality" in the present world conflict, such powerful organs of the press as La Prensa and La Nación for the first time are beginning to editorialize on Argentina's position. This has occurred only since the British evacuation of Crete and is significant for that reason.

Until slightly more than a week ago both of these newspapers, which have world-wide reputations, had been following the Government attitude and saying nothing of Argentina's position, although to the average Argentine who has not been corrupted by Nazi propaganda or cash there has never been any question as to where his sympathies lie--with England, the conquered countries and the United States. During these past few days both the newspapers in question have come out with strong articles on the defense of democracy.

La Prensa on June 5th in its leading editorial "What is the international position of Argentina" says that as far as the Argentine people are concerned there is only one answer, "they reject the new order", and then goes on to say that the doubt about Argentina's position does not refer to its people but to its government which appears to regard present events with indifference".

"It is hard to explain this inactivity", says La Prensa, "when the ground has been prepared by four recent Panamerican conferences: Buenos Aires in 1936, Lima in 1938, Panama in 1939 and Havana in 1940 which latter treated of the coordination of continental defense." The editorial then says that the arrival within a few days of the new Foreign Minister, Dr. Ruiz Guiñazú, recently Argentine Ambassador in Rome, after his visits to the

G-2 Distribution: 4, Copy No. 1, R/S; 2, L/G; 3, Section File	5,	6,
From M. A. Argentina This line to appear on all succeeding pa	Report No. 6680	Date June 9, 1941
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WAR DEPARTMENT OCS Form 17

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Page I

Current Events No. 63

United States and to Colombia should afford the acting president and Congress valuable counsel at this moment.

"And after receiving this information (from Guiñazu)", <u>La Prensa</u> continues, "the Vice President should arrive at two fundamental decisions which do not admit of delay: the ratification by Congress of the Havana pacts and cooperation of Argentina in the rapid organization of a new meeting of foreign ministers of the American Republics (or their representatives) to decide the necessary means for required continental defense."

La Nación on the same day devoted more than a column of its leading editorial to the same theme entitled "The defense of the River Plate" which also referred to the Havana Conference decisions, and to other recent Panamerican conferences. One strong sentence in this editorial is: "Inter-American cooperation is not open to discussion", and enother, after discussing the cooperation of the countries dependent upon the River Plate for communication with the outside world, "But above all is the graver question of the total defense of America which must be brought to a head without infringing on regional interests and sovereignties".

Then, just at this time, came the invitation issued by ininister of War General Tonazzi for the chiefs of staff of six neighboring South American nations and the United States to come to Argentina for Independence Day, July 9th, and then visit various military establishments in the country.

It may all be a coincidence, and it may not.

√2. Subversive Propaganda Questioned.

Last month the Minister of Interior stated that subversive propaganda was to be investigated and something done about it. Nothing has happened, and on June 6th Radical Deputy Manubens Calvet of Córdoba proposed in the Chember that the Minister be called on to report. Deputy Calvet announced some astounding figures. Among them: the German Embassy is spending \$100,000 (pesos) monthly in Spanish-language newspapers in Argentina; there are 200 German sports and educational socities here with a membership of 35,000; 140 schools with 10,000 pupils receive Nazi propaganda; nine newspapers and magazines in German spread the Nazi doctrine; a German hour is transmitted over one radio station in Buenos Aires which refused to relay the Argentine National Anthem on May 25th; German news agencies, principally Transocean, supply columns of "news" from Germany free to all papers which would publish it.

The following day La Nación took up the question, said that anti-Argentine propaganda was increasing daily and that the people were becoming worried about it. "The propaganda has limitless resources behind it", La Nación states, "and proceeds firmly on its way without hiding in any manner. Its plans are clear and its agents work in broad daylight. We must accept the fact of this peril which can be understood by anyone with eyes, ears and a minimum of sense. In normal times there are reasons for conventional treatment of such words and acts, but the circumstances in which we live are not normal."

Deputy Demonte Taborda asked the Congress to investigate anti-democratic activities in Argentina.

From M.A. Argentina

Report No. 6680

June 9, 1941

Current Events No. 63

COMMENTS:

These two deputies may be headline hunters; but even if they are, they are focussing attention on the notorious activities of the Axis group, its subversive propaganda and its subsidies to officials and to certain papers.

John W. Lang Colonel, Inf. Military Attaché

All copies airmailed June 11th.

From M.A. Argentina

Report No. 6680

June 9, 1941

Classification

Enclosures
 Record Section File No.
Copy No.

MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina

Country Reported On

Subject Comments on Current Events No. 64 I.G. No. Source and Degree of Reliability:

As stated.

Summarization of Report

- 1. Foreign Relations.
- 2. Subversive Activities.
- 3. Need for national police.
- 4. Operate Iron Mines.

In Comments on Current Events Enter Item Headings Here

√1. Foreign Relations.

✓ Although the new Foreign Minister, Dr. Ruiz Guiñazú, has made no official declaration as to the trend of Argentina on the question of hemispheric solidarity, there are increasing indications outside government circles that the people of Argentina are ready to back the democracies against the totalitarians. While the more responsible press until recently had been following Acting President Castillo's "Strict" Neutrality Program - except for those subsidized Nazi organs previously reported - hardly a day passes now without such leaders of public opinion expressing strong views as to where Argentina should stand and why she should say so at once - following the United States and other Western Hemisphere countries. It has been 4 1/2 months that the post of foreign minister has been vacant and temporarily occupied by Guillermo Rothe.

It would appear that President Roosevelt's action in closing the German consulates in the United States was just the act needed to convince the doubters in Argentina that North America meant what it said. Then, at about the same time the Roosevelt announcement was made, a question was raised in Congress about the sinking of the Argentine steamer "Uruguay" off the Spanish coast a year ago this month by a German submarine and for which act the Nazis have never acknowledged blame or offered indemnity. On the contrary, it is said here that if the insolent German reply to the Argentine note had been made public, the Argentine people would have demanded the expulsion of the German diplomatic representatives at once, as happened in September 1917 when Count von Luxburg was handed his papers on account of his "sink without a trace" recommendation in reference to Argentine ships. At that time the people of Buenos Aires sacked the German Club and burned its fittings in the street as well as sacking other German premises.

From M. A. Argentina Report No. 6689 Date June 21, 1941

Current Events No. 63

The report that Dr. Marcel T. Alvear, former president and long titular head of the strong Radical Party, is to be sent to the United States as a special ambassador is taken as an indication that Argentina desires closer relations, politically, with the "Colossus of the North". This rumored appointment has met with general approval.

√ 2. Subversive Activities.

After many months during which the subversive elements of Nazi leadership have had their own way with little check, Argentina has waked up and is going to do something about the enemy within her gates. This started with revelations by "Critica" of a meeting held in an apartment in this city, attended by a number of retired army officers and civilians, which was raided by the police and Nazi propaganda found. A number of arrests were made, some reported to have been those of army officers. A nephew of Minister of War Tonazzi attended the meeting, it is reported, and it was General Tonazzi who tipped off the police. According to the press, these Nazi sympathizers planned some sort of a coup d'etat for July 9th, Independence Day.

Just about the time this was going on (All within the past few days) the Chember of Deputies got busy and had the Minister of Interior before it to find out about Nazi and Fascist activities. Sr. Culaciati, the minister whose department is responsible for peace and order in the Republic, admitted that there was a certain amount of such anti-Argentine activities and suggested laws with more teeth in them to aid the government in stamping them out. He said there were about 500 Nazi entities with 30,000 members. After hearing his testimony, the Chamber with only one dissenting vote agreed to conduct an investigation of its own.

Within twenty-four hours of this Congressional resolution, the Minister of Interior had called a conference, which is to be held at the office of the Chief of Police of Buenos Aires next Thursday (June 26th), of all the provincial and territorial police chiefs in the country to adopt a plan to stamp out Nazi and Fascist activities from the Andes to the Atlantic, and from the northern boundary to Tierra del Buego.

At last Argentina seems to have awakened from Acting President Castillo's somnolence of "strict neutrality" and is taking steps to preserve its institutions from the enemy within.

3. Need for national police.

The establishment of a special police organization in Argentina to deal with delinquents who attempt to escape prosecution by seeking refuge outside the province in which their delinquencies are committed was advocated by General Justo, former President, in an unsigned La Razon article June 12.

The apprehension of delinquents heretofore has been impeded by the legal inability of police in the Federal District and the provinces to exercise their authority outside their respective district or province. Many delinquents have capitalized on this technicality by committing delinquencies in the Federal District or a province and immediately crossing the line to another province.

General Justo concluded: "It is necessary to do something to repress such activities. The simple creation of a federal police is impracticable. The Constitution opposes this end it does so in the name of the fundamental principles of the Confederation. The remedy must be found within the respect

From M.A. Argentina

Report No. 6689

June 21, 1941

Jurrent Events No. 63

due to the autonomy of Federal States. $W_{\rm e}$ believe that this should be one of the topics of preference for parlimentary action in 1941".

f From trustworthy sources comes information that General Justo will go allowly in plans for organizing a national police force because he fears that it may be used against him in his efforts to become again the Chief Executive.)

4. Operate Iron Mine.

The formation of a company with a capitalization of 20,000,000 pesos to operate the iron mines at Chilecito(Mendoza) was reported by The Standard June 22.

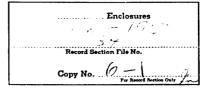
The report states that the company is building a foundry capable of dealing with 72 tons of ore a day.

Transportation, the lack of which heretofore limited mineral exploitation in this region, is to be provided by a funicular railway which will carry the ore to Chilecito.

John W. Lang Colonel, Inf. Military Attaché

All copies airmailed June 25th.

Classification



MILITARY INTELLIGENCE DIVISION

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Military Attaché Repo	ORT Argentina
	Country Reported On
Subject Comment on Current Events No. 65	I.G. No
Source and Degree of Reliability:	-
Personal Observation.	
Summarization of Report West Required	
1.Independence Day Review.	
In Comments on Current Ecoule Ealer Item Headings Here	
1. Independence Day Review.	

The 125th anniversary of the Declaration of Argentine Independence, July 9, 1941, was of special interest because of the presence of seven military delegations from neighboring South American countries and from the United States, who attended the military review during the afternoon.

Commander of the parade forces was Major General Nicolas C. Accame, who had eight officers on his staff. 13,000 troops took part.

The first group in line was that of aviation commanded by Brigadier General Angel M. Zuloaga, Chief of Aviation, and consisted of: Naval Aviation, the Military Aviation School, 1st, 2nd and 3rd aerial regiments.

The Navy made up the second group under command of Captain Manuel A. Moranchel, director general of coast defense. In this were detachments from the Naval Academy, Naval Trade School, Marines from the sea squadron and another from the river squadron, and a Coast Artillery contingent.

Under Command of Brigadier General Jorge A. Giovaneli, Inspector of Infantry, was the group from the Service Schools: Military Academy, "Sargento Cabral", non-commissioned officers school and Army Mechanica School.

Infantry and Communications section was under command of Brigadier General Eduardo T. Lapéz and consisted of detachments from six infantry regiments, one ordnance detachment, two battalions and one squadron of Communications, one section of dogs (German Shepherd,

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current Events No. 65

Dobermans, and mongrel type dogs) and one motorized Communications detachment.

In the Artillery display, under command of Brigadier General Adolfo S. Espindola, commanding the Argentine First Division, one horse-drawn detachment from the Artillery School, one Mounted Artillery and one Horse Artillery detachment; one battery of 155 mm from the Artillery School, one anti-aircraft detachment from the same school, one section of armored motor cars, and one company of tanks.

Cavalry was commanded by Colonel Carlos Kelso, Commander of the First Cavalry Division. There were sections from four cavalry regiments and one of scouts.

COMMENT:

The snap, precision, set-up and dress of the troops was remarkably good, especially considering that the privates were all conscripts of less than 6 months service.

As the U.S. Delegation left the presidential box, there was a burst of spontaneous applause and shouts of "viva la democracia".

John W. Lang Colonel Inf. Military Attaché

All copies airmailed July 16, 1941